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WRITER'S DIRECT DIAL NUMBER

July 16, 1998

Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

RECEIVED

JUL 16 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: MM Docket No. 98-43

Dear Ms. Salas:

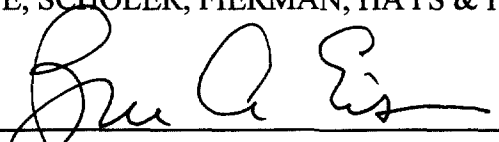
Submitted herewith for filing are an original and nine copies of the Joint Reply Comments of Radio & Records, Radio Business Report, Duncan's American Radio, LLC, and Dataworld, in the above-referenced proceeding.

Should there be any questions concerning the enclosure, kindly communicate directly with undersigned counsel.

Respectfully submitted,

KAYE, SCHOLER, FIERMAN, HAYS & HANDLER, LLP

By:


Bruce A. Eisen

Enclosure.

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BEFORE THE

Federal Communications Commission

WASHINGTON, D.C. 20554

DOCKET FILE COPY ORIGINAL

RECEIVED

JUL 16 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
1998 Biennial Regulatory Review --)
Streamlining of Mass Media Applications,)
Rules and Processes)

MM Docket No. 98-43

TO: The Commission

JOINT REPLY COMMENTS OF
RADIO & RECORDS, RADIO BUSINESS REPORT,
DUNCAN'S AMERICAN RADIO, LLC, AND DATAWORLD

RADIO & RECORDS, RADIO BUSINESS REPORT, DUNCAN'S AMERICAN RADIO, LLC, and DATAWORLD (hereinafter collectively, "Replying Parties"), by their attorneys, hereby jointly submit their Reply to certain comments filed in the Commission's Notice of Proposed Rulemaking in MM Docket No. 98-43, _____ FCC Rcd _____ (FCC 98-57, released April 3, 1998) (hereinafter "NPRM"). In support thereof, the following is shown:

1. In their Comments, the Replying Parties showed that it would be unwise in the extreme to eliminate the existing requirement that sales agreements associated with assignment and transfer applications be filed with the Commission. Nevertheless, this is what the Commission has proposed as a fundamental change in its broadcast application and licensing procedures. NPRM at ¶31. The Replying Parties fully acknowledge the overall sound intention of the NPRM, which reflects initiatives for the meaningful streamlining of Commission proceedings. However, careful reflection is necessary if the financial health of broadcasting is to

continue on course, for changes which fail to bring clear benefits or which are introduced without regard to subtle adverse consequences will surely harm the industry.

2. Our Comments showed that if the present filing requirement were eliminated, regulatory burdens might be lessened, but the availability and ready exchange of information about station sales would largely be lost to broadcasters, media brokers and financial institutions. This would hinder the potential funding of sales transactions and injure the very industry which is, after all, one of the assumed beneficiaries of the proposals set forth in the NPRM. The Replying Parties urged the Commission to preserve the existing policy which mandates the submission of unredacted sales agreements included within assignment and transfer applications. They also offered specific reasons why continued filings were advantageous.

3. It is all too easy for a commenting party to subscribe to the concept of further deregulation and to support the notion that contracts of purchase and sale need not be filed with assignment and transfer applications. It is certainly true that relaxing the existing requirement would remove some of the burden from both the Commission and the contracting parties. However, a repeal of the filing requirement would fail utterly to consider the independent forces which bring many station sales to fruition. Most of the commenters did not significantly address the question of contracts filings. Several commenters appear to have simply assumed that less filings are better and by so stating do nothing to meaningfully advance the record.

4. The “rush to judgment” mentality is evidenced by Cumulus Media, Inc. (“Cumulus”) which supports elimination of the requirement to submit underlying sales contracts merely because the paperwork associated with broadcast transactions can be reduced. Cumulus notes its concern with the “time-consuming tasks that the Mass Media Bureau must undertake in

order to implement the application process” and observes that contractual terms “generally are irrelevant” to consideration of the application. It asks the Commission to adopt the proposed certification requirement which it believes will track the fast-paced reality of the broadcasting business in today’s climate so that the Commission will be free to concentrate its limited resources on fundamental regulatory issues and responsibilities. CBS Corporation (“CBS”) merely notes that its “has numerous subsidiaries which file documents with the FCC,” and that the requirement to file sales contracts with assignment and transfer applications is expendable.

5. These comments represent shortsightedness on the one hand (Cumulus), and woeful, knee-jerk reaction on the other (CBS). The purpose of a rulemaking proceeding is to establish a record based on information gathered from the public at large. It does little service to the record for a commenting party to simply say “yes” or “no” to a Commission proposal without giving clear reasons, and it is downright dangerous to submit comments which superficially address the questions raised without considering anything other than the self-serving interest of the commenting party.

6. Contrary to Cumulus’ assertion, the provisions included within contracts supporting assignments and transfers are germane to Commission consideration of those applications. There are specific agency rules and regulations which are often implicated by the terms of such contracts.¹ The idea that contract review will somehow seriously delay processing time is without satisfactory documentation. Indeed, it is unlikely that the Staff’s review of a contract is a significant cause for delay. Most practitioners would undoubtedly acknowledge that

¹ See, e.g., §§73.1150, 73.3555, 73.3597.

petitions, formal and informal, questions relating to multiple ownership, and matters concerning other proceedings that involve one of the transacting parties are more likely impediments to swift review and resolution.

7. What the commenters have largely missed is the dynamic which often results in a broadcast transaction and which, but for the ready availability of documents in the Commission's files, might not occur at all. They have, for the most part, neglected to consider several important constituents to a broadcast transaction: media brokers and members of the financial community who are essential to the health of an industry that is often fueled by the purchase and sale of stations.

8. The Commission may take official notice that in the late 1980s and early 1990s broadcast stations decreased in value as advertising revenues also decreased. The downturn in the industry's economic strength was occasioned by a severe lack of transactional activity. At the same time, banks were kept to strict lending criteria which the Commission, itself, understood to be highly destructive. See, Review of the Commission's Regulations and Policies Affecting Investment in the Broadcast Industry, 7 FCC Rcd 2654 (1992). With time, the economic environment improved, and the fact that lending institutions were again able to provide funds for purchases and sales of broadcast facilities was a major reason why the industry experienced substantial growth.

9. We believe, however, that adoption of what may appear to be a minimal deregulatory proposal toward deregulation would significantly disrupt the orderly marketplace that presently exists. The information which is easily available from the Commission's files to broadcast lenders, media brokers, trade publications, communications counsel, and station

personnel would dry up. No longer would there be the routine provision of data which includes station sales prices and sales structures, both of which are important to media brokers who must provide information to their clients on such matters in order to advance sales contracts. It would be myopic, indeed, to separate these factors from the Commission's purely regulatory function. The well being of the industry is dependent as much upon the continued accessibility of these parties to information from the Commission's files, as it is from the regulatory processing of assignments and transfers.

10. It takes little speculation to conclude that media lenders unable to easily acquire information about comparable sales figures will likely avoid lending for broadcast transactions, absent the imposition of such alternatives as additional equity infusion, higher levels of security, or increased loan rates. Insisting upon one or more of these alternatives would be contrary to the needs of the broadcasting industry which requires greater and more readily obtainable investment capital. It would also undermine the stated goals of the Commission, which is attempting to encourage access by minority group members to broadcast capital. Such groups would be hard pressed to obtain funds if the aforementioned alternatives were required. Nevertheless without clear and obtainable information regarding comparable sales, their positing may be jeopardized.

11. The Commission proposes that the seller of a broadcast station need only place the specific sale information in its local public inspection file. While commenters like Cumulus view this as a laudable simplification of the application process, adoption of such a proposal will result in a vast decentralization of information that could require a party in need of specific data to spend inordinate amounts of money or time in gathering the necessary documentation. Rather than utilizing the Commission's own files in Washington, D.C., lenders, media brokers, existing

licensees and potential buyers would be required to expend significant amounts of money to travel to or retain firms to travel to far-flung local public file repositories. This seems particularly counterproductive and far more burdensome than preserving the requirement that contracts be filed at the Commission. The public has an absolute right to view and to evaluate station sales, but with diminished access to the full scope of a contract of purchase and sale, that right will be impeded. This is especially true since the Commission's proposed electronic filing will require public oversight in order to insure that certifications made in assignment and transfer applications are correct. The diffusion of contracts throughout the country will prevent the public from adequately reviewing the bona fides and accuracy of the representations made in such applications.²

12. There is presently a fair amount of criticism that the broadcasting industry, especially radio broadcasting, has been damaged by consolidation. Large broadcast licensees such as Cumulus and CBS may not be as sensitized to this criticism as others. Nevertheless, traditional ways that new parties gain entry to the industry have always included reference to a station's cash flow. Lending institutions are acutely aware of the multiples derived from this standard, and banks would be hard-pressed to provide funding to minority companies and small businesses in the absence of specific information relating to comparable sales prices and other financial terms. Media brokers and communications attorneys have often been asked to provide

² One commenter, Robert Birdsill, urges the Commission to require only that contracts be placed in the local public inspection file during the processing of the assignment or transfer application. Once consummation has occurred, the Birdsill plan would allow the contract to be removed. This suggestion is meritless and would force those in need of comparable information to lose all hope of a chance to do adequate monitoring.

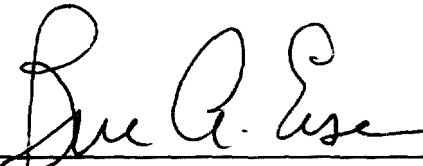
basic contractual terms to lending institutions for review. That role will be complicated beyond reason if the agreements underlying transfer and assignment applications are no longer located in the Commission's Washington, D.C. offices.

13. The Commission has, in the past, unburdened broadcasters of many unnecessary filing requirements and, as a result, furthered the public interest. In recent memory, the Commission has abandoned its need for the filing of Annual Financial Reports (FCC Form 324). It has also done away with the injunction that broadcasters, in a variety of situations, engage in a formalized ascertainment of community problems and needs. These two erstwhile requirements were truly burdensome, not only to the broadcasters who were required to spend significant amounts of time and money to compile masses of statistical data, but also to the Commission which had on occasion to closely evaluate the information submitted. When Annual Ownership Reports and formalized ascertainment showings were discontinued, real and significant burdens were lifted from both the agency and its licensees. Here, on the contrary, no truly significant burden would be removed. The parties to a transaction must still enter into a contract of purchase and sale, and review of the contract by the Commission's staff is ordinarily swift and routine. The detriment to the industry that would be occasioned by a change in the filing requirements is manifest, and the harm that would result to the public more than offsets the continued requirement to file contracts. Annexed hereto are declarations from individuals with knowledge of media and lending. The declarations show that repeal of the contract filing requirement would be precipitous and ultimately damaging.

14. It is important for the Commission to regulate only when necessary and that it do so in a common sense manner that considers the detriment to broadcasters but that also ensures the continued expansion of the industry. The existing filing requirements are not so burdensome that repeal outweighs the benefits of the routine availability of information to the public and to the professionals who also contribute to the industry's health.

Respectfully submitted,

RADIO & RECORDS, RADIO BUSINESS REPORT
DUNCAN'S AMERICAN RADIO, LLC and
DATAWORLD

By: 
Bruce A. Eisen

Kaye, Scholer, Fierman, Hays and Handler, LLP
901 15th Street, N.W., Suite 1100
Washington, D.C. 20005
(202) 682-3500

July 16, 1998



JOSEPH M. FIELD
PRESIDENT & CEO

DECLARATION

I, Joseph M. Field, do hereby declare, certify and state as follows:

1. I am the CEO and President of Entertainment Communications, Inc., a/k/a as Entercom, which is a recognized and established group radio broadcasting company. Our organization has been involved in numerous broadcast station transactions over the years.

2. In its Notice of Proposed Rule Making in MM Docket No. 98-43, ___ FCC Rcd ___ FCC 98-57 (released April 3, 1998) (hereinafter "NPRM"), the Commission instituted a rulemaking proceeding to consider certain fundamental changes in its broadcast application and licensing procedures. This included a proposal to eliminate completely the present Commission requirement that sales contracts and/or agreements be filed as part of each application for Commission consent to the proposed assignment of license or transfer of control and to eliminate, as well, the part of Section 73.3613(b) of the Commission's Rules which presently requires that such agreements be filed with the Commission within 30 days following the date that such agreements are executed. In lieu of the present requirement that applicants file sales agreements with assignment or transfer applications, the Commission is proposing to require applicants to review their sales and organizational documents against new instructions to FCC Forms 314 and 315. Applicants would be required to disclose fully all sales, financing and investor information where the transaction of the assignee or transferee entity does not conform fully to applicable Commission policies. The Commission consequently sought comment on

whether its proposed procedures would suffice instead of the present requirement that applicants file copies of sales agreements with their assignment and transfer applications. The Commission also stated in its NPRM that, if it were to eliminate the requirement that applicants file copies of agreements with their assignment and transfer applications and eliminate the rule requiring that agreements be filed with the Commission within 30 days of execution, nonetheless, it is proposed that applicants place copies of all such agreements in the applicable station's local public inspection file.

3. As a recognized radio broadcasting company, we are interested in the foregoing Commission proposals. While the Commission's proposals are clearly well-intentioned, we are concerned that, in reality, adoption of these proposals would generate significant harm to the very broadcast industry that the Commission hopes to benefit. Should the Commission adopt its proposal to delete the contract filing requirement, significant disruption would likely be created in what is now an orderly marketplace for broadcast properties by making it more difficult to track comparable pricing for broadcast stations, thereby impacting the competitive arena for the sale and purchase of radio properties. Such information is now available to broadcast lenders, media brokers, and to the broadcast industry itself from trade publications, databases and the Commission's own files which contain or report information on station sales, prices and sales structures. Media brokers will find it much more difficult to provide accurate, up-to-date information to clients on values of broadcast stations if the Commission were to adopt its proposals concerning sales contracts since the trade press would no longer be able to be aware of station sales prices without access to the underlying contracts. In addition, media lenders or other funding sources who are unable to have access to information about comparable sales figures are likely either to avoid lending for media transactions, to require more equity infusion in broadcast transactions, to demand that such transactions be fully secured with readily marketable assets, or to charge higher loan rates.

Moreover, the Commission's proposals could impact adversely on the liquidity and fluidity of the trading market with the possible consequence of lowering the value of station assets because of the diminished market recognition of the market value of radio stations. All of these results would be contrary to the needs of the broadcast industry for greater and more readily accessible infusion of investment capital, and contrary, as well, to the stated goals of the Commission itself in attempting to encourage access by minority group members to broadcast capital.

4. Thus, the Commission's proposed elimination of its contract filing requirement will likely significantly and adversely affect the very broadcast industry which the Commission is attempting to assist. There is no valid basis to assume that the mere act of filing a broadcast sales agreement with an assignment or transfer application would create any meaningful regulatory burden on a broadcast applicant. Such sales agreements would be required, in any event, and the act of photocopying and submitting a copy of such an agreement to the Commission would occupy virtually no significant effort by any broadcaster. We have been complying willingly and understandingly with the existing filing requirement for three decades and have always considered the industry wide benefit of the compliance to far exceed any minuscule inconvenience.

I hereby declare, certify and state under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.


Joseph M. Field

Executed on July 14, 1998

Kathleen M. Mayher
Senior Vice President & Manager
Media & Telecommunications
Finance



Key Corporate Capital Inc.
A KeyCorp Subsidiary
127 Public Square, 6th Floor
Cleveland, OH 44114-1306

DECLARATION

Tel: 216 689-5787

I, Kathleen M. Mayher, do hereby declare, certify and state as follows:

1. I am Kathleen M. Mayher, Senior Vice President and Manager of the Media & Telecommunications Finance Division of Key Corporate Capital Inc., a recognized and established lender to the broadcast industry. Having funded our first radio loan in 1941, our institution has been involved in numerous broadcast station transactions over the past 37 years.

2. In its Notice of Proposed Rule Making in MM Docket NO. 98-43, FCC Red FCC 98-57 (released April 3, 1998) (hereinafter "NPRM"), the Commission instituted a rule making proceeding to consider certain fundamental changes in its broadcast application and licensing procedures. This included a proposal to eliminate completely the present Commission requirement that sales contracts and/or agreements be filed as part of each application for Commission consent to the proposed assignment of license or transfer of control and to eliminate, as well, the part of Section 73.3613(b) of the Commission's Rules which presently requires that such agreements be filed with the Commission within 30 days following the date that such agreements are executed. In lieu of the present requirement that applicants file sales agreements with assignment or transfer applications, the Commission is proposing to require applicants to review their sales and organizational documents against new instructions to FCC Forms 314 and 315. Applicants would be required to disclose fully all sales, financing and investor information where the transaction of the assignee or transferee entity does not conform fully to applicable Commission policies. The Commission consequently sought comment on whether its proposed procedures would suffice instead of the present requirement that applicants file copies of sales agreements with their assignment and transfer applications. The Commission also stated in its NPRM that, if it were to eliminate the requirement that applicants file copies of agreements with their assignment and transfer applications and eliminate the rule requiring that agreements be filed with the Commission within 30 days of execution, nonetheless, it is proposed that applicants place copies of all such agreements in the applicable station's local public inspection file.

3. As a recognized participant in the financing of broadcast media in the United States, we are extremely interested in the foregoing Commission proposals. While the Commission's proposals are clearly well-intentioned, we are most concerned, however, that, in reality, adoption of these proposals would generate significant harm to the very broadcast industry that the Commission hopes to benefit.

July 14, 1998

Should the Commission adopt its proposal to delete the contract filing requirement, significant disruption would likely be created in what is now an orderly marketplace for broadcast properties, thereby hurting broadcasters by making it more difficult to track the pricing trends for broadcast stations. Such information is now available to broadcast lenders, media brokers, and to the broadcast industry itself from trade publications, databases and the Commission's own files which contain or report information on station sales, prices and sales structures. Media brokers will find it much more difficult to provide accurate, up-to-date information to clients on values of broadcast stations if the Commission were to adopt its proposals concerning sales contracts since the trade press would no longer be able to be aware of station sales prices without access to the underlying contracts. In addition, media lenders or other funding sources who are unable to have access to information about comparable sales figures may curtail their lending activity given uncertainty regarding the market value of the underlying collateral. All of these results would be contrary to the needs of the broadcast industry for greater and more readily accessible infusion of investment capital, and contrary, as well, to the stated goals of the Commission itself in attempting to encourage access by minority group members to broadcast capital.

4. Thus, the Commission's proposed elimination of its contract filing requirement will likely significantly and adversely affect the very broadcast industry which the Commission is attempting to assist. There is no valid basis to assume that the mere act of filing a broadcast sales agreement with an assignment or transfer application would create any meaningful regulatory burden on a broadcast applicant. Such sales agreements would be required, in any event, and the act of photocopying and submitting a copy of such an agreement to the Commission would occupy virtually no significant effort by any broadcaster.

I hereby declare, certify and state that the foregoing is true and correct to the best of my knowledge, information and belief.


Kathleen M. Mayher

Executed on:



Media Brokerage
& Consulting



**Richard A. Foreman Associates
Incorporated**

330 Emery Drive East
Stamford, Connecticut 06902
203 327-2600
203 967-9393 FAX

DECLARATION

I, Richard A. Foreman, do hereby declare, certify and state as follows:

1. I am the President of Richard A. Foreman Associates, Inc., which is a recognized and established Media Brokerage Firm. Our organization has been involved in numerous broadcast station transactions over the years.

2. In its Notice of Proposed Rule Making in MM Docket No. 98-43, FCC Rcd FCC 98-57 (released April 3, 1998) (hereinafter "NPRM"), the Commission instituted a rule making proceeding to consider certain fundamental changes in its broadcast application and licensing procedures. This included a proposal to eliminate completely the present Commission requirement that sales contracts and/or agreements be filed as part of each application for Commission consent to the proposed assignment of license or transfer of control and to eliminate, as well, the part of Section 73.3613(b) of the Commission's Rules which presently requires that such agreements be filed with the Commission within 30 days following the date that such agreements are executed. In lieu of the present requirement that applicants file sales agreements with assignment or

transfer applications, the Commission is proposing to require applicants to review their sales and organizational documents against new instructions to FCC Forms 314 and 315. Applicants would be required to disclose fully all sales, financing and investor information where the transaction of the assignee or transferee entity does not conform fully to applicable Commission policies. The Commission consequently sought comment on whether its proposed procedures would suffice instead of the present requirement that applicants file copies of sales agreements with their assignment and transfer applications. The Commission also stated in its NPRM that, if it were to eliminate the requirement that applicants file copies of agreements with their assignment and transfer applications and eliminate the rule requiring that agreements be filed with the Commission within 30 days of execution, nonetheless, it is proposed that applicants place copies of all such agreements in the applicable station's local public inspection file.

3. As a recognized participant in the financing and sales of broadcast media in the United States, we are extremely interested in the foregoing Commissions proposals. While the Commission's proposals are clearly well-intentioned, we are most concerned, however, that, in reality, adoption of these proposals would generate significant harm to the very broadcast industry that the Commission hopes to benefit. Should the Commission adopt its proposal to delete the contract filing

requirement, significant disruption would likely be created in what is now an orderly marketplace for broadcast properties, thereby hurting broadcasters by making it more difficult to track the pricing trends for broadcast stations. Such information is now available to broadcast lenders, media brokers, and to the broadcast industry itself from trade publications, databases and the Commission's own files which contain or report information on station sales, prices and sales structures. Media brokers will find it much more difficult to provide accurate, up-to-date information to clients on values of broadcast stations if the Commission were to adopt its proposals concerning sales contracts since the trade press would no longer be able to be aware of station sales prices without access to the underlying contracts. In addition, media lenders or other funding sources who are unable to have access to information about comparable sales figures are necessarily likely either to avoid lending for media transactions or may require more equity infusion in broadcast transactions or may require that such transaction be fully secured with readily marketable assets, or will charge higher loan rates. All of these results would be contrary to the needs of the broadcast industry for greater and more readily accessible infusion of investment capital, and contrary, as well, to the stated goals of the Commission itself in attempting to encourage access by minority group members to broadcast capital.

4. Thus, the Commission's proposed elimination of its contract filing requirement will likely significantly and adversely affect the very broadcast industry which the Commission is attempting to assist. There is no valid basis to assume that the mere act of filing a broadcast sales agreement with an assignment or transfer application would create any meaningful regulatory burden on a broadcast applicant. Such sales agreements would be required, in any event, and the act of photocopying and submitting a copy of such an agreement to the Commission would occupy virtually no significant effort by any broadcaster.

I hereby declare, certify and state under penalty or perjury that the foregoing is true and correct to the best of my knowledge, information and belief.


Richard A. Foreman

Executed on: July 15, 1998



Kalil & Co., Inc.

3444 North Country Club • Suite 200 • Tucson, Arizona 85716 • (520) 795-1050 • FAX (520) 322-0584

DECLARATION

1, FRANK KALIL, DO HEREBY DECLARE, CERTIFY AND STATE AS FOLLOWS:

1. I AM FRANK KALIL, THE PRESIDENT WITH KALIL & CO., INC., WHICH IS A RECOGNIZED AND ESTABLISHED MEDIA BROKER INSTITUTION. OUR ORGANIZATION HAS BEEN INVOLVED IN NUMEROUS BROADCAST STATION TRANSACTIONS OVER THE YEARS.
2. IN ITS NOTICE OF PROPOSED RULE MAKING IN MM DOCKET NO 98-43 FCC RCD FCC 98-57 (RELEASED APRIL 3, 1998) (HEREINAFTER "NPRM"), THE COMMISSION INSTITUTED A RULEMAKING PROCEEDING TO CONSIDER CERTAIN FUNDAMENTAL CHANGES IN ITS BROADCAST APPLICATION AND LICENSING PROCEDURES. THIS INCLUDED A PROPOSAL TO ELIMINATE COMPLETELY THE PRESENT COMMISSION REQUIREMENT THAT SALES CONTRACTS AND/OR AGREEMENTS BE FILED AS PART OF EACH APPLICATION FOR COMMISSION CONSENT TO THE PROPOSED ASSIGNMENT OF LICENSE OR TRANSFER OF CONTROL AND TO ELIMINATE, AS WELL, THE PART OF SECTION 73.3613(B) OF THE COMMISSION'S RULES WHICH PRESENTLY REQUIRES THAT SUCH AGREEMENTS BE FILED WITH THE COMMISSION WITHIN 30 DAYS FOLLOWING THE DATE THAT SUCH AGREEMENTS ARE EXECUTED. IN LIEU OF THE PRESENT REQUIREMENT THAT APPLICANTS FILE SALES AGREEMENTS WITH ASSIGNMENT OR TRANSFER APPLICATIONS, THE COMMISSION IS PROPOSING TO REQUIRE APPLICANTS TO REVIEW THEIR SALES AND ORGANIZATIONAL DOCUMENTS AGAINST NEW INSTRUCTIONS TO FCC FORMS 314 AND 315. APPLICANTS WOULD BE REQUIRED TO DISCLOSE FULLY ALL SALES, FINANCING AND INVESTOR INFORMATION WHERE THE TRANSACTION OF THE ASSIGNEE OR TRANSFEREE ENTITY DOES NOT CONFORM FULLY TO APPLICABLE COMMISSION POLICIES. THE COMMISSION CONSEQUENTLY SOUGHT COMMENT ON WHETHER ITS PROPOSED PROCEDURES WOULD SUFFICE INSTEAD OF THE PRESENT REQUIREMENT THAT APPLICANTS FILE COPIES OF SALES AGREEMENTS WITH THEIR ASSIGNMENT AND TRANSFER APPLICATIONS. THE COMMISSION ALSO STATED IN ITS NPRM THAT, IF IT

WERE TO ELIMINATE THE REQUIREMENT THAT APPLICANTS FILE COPIES OF AGREEMENTS WITH THEIR ASSIGNMENT AND TRANSFER APPLICATIONS AND ELIMINATE THE RULE REQUIRING THAT AGREEMENTS BE FILED WITH THE COMMISSION WITHIN 30 DAYS OF EXECUTION, NONETHELESS, IT IS PROPOSED THAT APPLICANTS PLACE COPIES OF ALL SUCH AGREEMENTS IN THE APPLICABLE STATION'S LOCAL PUBLIC INSPECTION FILE.

3. AS A RECOGNIZED PARTICIPANT IN THE FINANCING AND SALES OF BROADCAST MEDIA IN THE UNITED STATES, WE ARE EXTREMELY INTERESTED IN THE FOREGOING COMMISSION PROPOSALS. WHILE THE COMMISSION'S PROPOSALS ARE CLEARLY WELL-INTENTIONED, WE ARE MOST CONCERNED, HOWEVER, THAT, IN REALITY, ADOPTION OF THESE PROPOSALS WOULD GENERATE SIGNIFICANT HARM TO THE VERY BROADCAST INDUSTRY THAT THE COMMISSION HOPES TO BENEFIT. SHOULD THE COMMISSION ADOPT ITS PROPOSAL TO DELETE THE CONTRACT FILING REQUIREMENT, SIGNIFICANT DISRUPTION WOULD LIKELY BE CREATED IN WHAT IS NOW AN ORDERLY MARKETPLACE FOR BROADCAST PROPERTIES, THEREBY HURTING BROADCASTERS BY MAKING IT MORE DIFFICULT TO TRACK THE PRICING TRENDS FOR BROADCAST STATIONS. SUCH INFORMATION IS NOW AVAILABLE TO BROADCAST LENDERS, MEDIA BROKERS, AND TO THE BROADCAST INDUSTRY ITSELF FROM TRADE PUBLICATIONS, DATABASES AND THE COMMISSION'S OWN FILES WHICH CONTAIN OR REPORT INFORMATION OF STATION SALES, PRICES AND SALES STRUCTURES. MEDIA BROKERS WILL FIND IT MUCH MORE DIFFICULT TO PROVIDE ACCURATE, UP-TO-DATE INFORMATION TO CLIENTS ON VALUES OF BROADCAST STATIONS IF THE COMMISSION WERE TO ADOPT ITS PROPOSALS CONCERNING SALES CONTRACTS SINCE THE TRADE PRESS WOULD NO LONGER BE ABLE TO BE AWARE OF STATION SALES PRICES WITHOUT ACCESS TO THE UNDERLYING CONTRACTS. IN ADDITION, MEDIA LENDERS OR OTHER FUNDING SOURCES WHO ARE UNABLE TO HAVE ACCESS TO INFORMATION ABOUT COMPARABLE SALES FIGURES ARE NECESSARILY LIKELY EITHER TO AVOID LENDING FOR MEDIA TRANSACTIONS OR MAY REQUIRE MORE EQUITY INFUSION IN BROADCAST TRANSACTIONS OR MAY REQUIRE THAT SUCH TRANSACTIONS BE FULLY SECURED WITH READILY MARKETABLE ASSETS, OR WILL CHARGE HIGHER LOAN RATES. ALL OF THESE RESULTS WOULD BE CONTRARY TO THE NEEDS OF THE BROADCAST INDUSTRY FOR GREATER AND MORE READILY ACCESSIBLE INFUSION OF INVESTMENT CAPITAL, AND CONTRARY, AS WELL, TO THE STATED GOALS OF THE

COMMISSION ITSELF IN ATTEMPTING TO ENCOURAGE ACCESS BY MINORITY GROUP MEMBERS TO BROADCAST CAPITAL.

4. THUS, THE COMMISSION'S PROPOSED ELIMINATION OF ITS CONTRACT FILING REQUIREMENT WILL LIKELY SIGNIFICANTLY AND ADVERSELY AFFECT THE VERY BROADCAST INDUSTRY WHICH THE COMMISSION IS ATTEMPTING TO ASSIST. THERE IS NO VALID BASIS TO ASSUME THAT THE MERE ACT OF FILING A BROADCAST SALES AGREEMENT WITH AN ASSIGNMENT OR TRANSFER APPLICATION WOULD CREATE ANY MEANINGFUL REGULATORY BURDEN ON A BROADCAST APPLICANT. SUCH SALES AGREEMENTS WOULD BE REQUIRED, IN ANY EVENT, AND THE ACT OF PHOTOCOPYING AND SUBMITTING A COPY OF SUCH AN AGREEMENT TO THE COMMISSION WOULD OCCUPY VIRTUALLY NO SIGNIFICANT EFFORT BY ANY BROADCASTER.

I HEREBY DECLARE, CERTIFY AND STATE UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

A handwritten signature in black ink, consisting of several overlapping loops and a final vertical stroke, positioned above the printed name.

FRANK KALIL

EXECUTED ON: 7/15/98



Kalil & Co., Inc.

3444 North Country Club • Suite 200 • Tucson, Arizona 85716 • (520) 795-1050 • FAX (520) 322-0584

PERSONAL & CONFIDENTIAL

JUNE 3, 1998

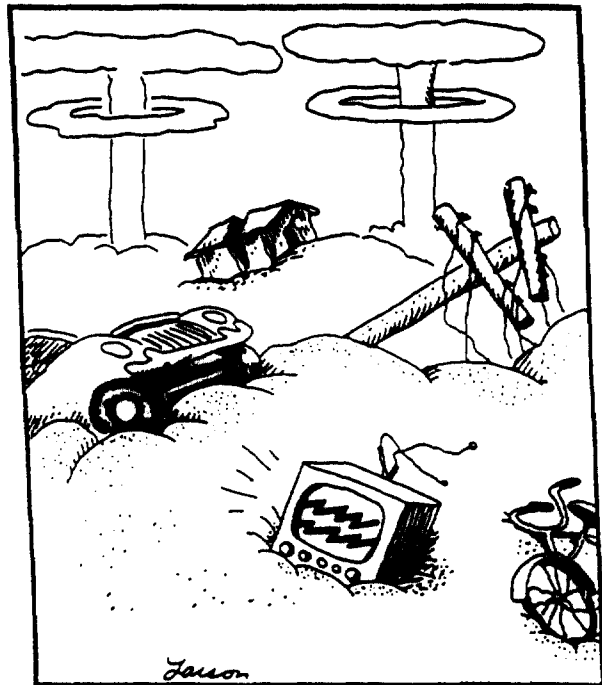
MR. WILLIAM E. KENNARD, CHAIRMAN
FEDERAL COMMUNICATIONS COMMISSION
1919 M STREET, N.W.
WASHINGTON, DC 20554

DEAR MR. KENNARD:

PLEASE DO NOT TOTALLY DISMANTLE THE FCC.

FCC DOCKET #98-43 (PARAGRAPHS 30-35)
PROPOSES TO END THE REQUIREMENT THAT
CONTRACTS, INCLUDING PRICING INFORMATION,
BE FILED WITH EACH APPLICATION FOR THE SALE
OF A RADIO OR TELEVISION STATION.

PLEASE, PLEASE DO NOT ALLOW THAT TO HAPPEN.
THAT INFORMATION IS PART OF A SYSTEM WHICH
HAS WORKED WELL FOR YEARS. THE PUBLIC HAS
A RIGHT TO KNOW WHAT THE PUBLIC AIRWAVES ARE
WORTH AND IT CERTAINLY IMPOSES NO BURDEN ON
BUYERS AND SELLERS, OTHER THAN THE DESIRE A
FEW OF THEM HAVE TO DO THINGS IN THE DARK.
THEY CAN MAKE A QUICK HIT AND BE GONE LONG
BEFORE THEY, THEMSELVES, NEED TO KNOW WHAT
THE MARKET IS DOING.



"This is a test. For the next thirty seconds, this
station will conduct a test of the emergency
broadcast system ..."

I REALIZE THAT YOU ONLY HEAR FROM YOUR CONSTITUENTS WHEN THEY WANT SOMETHING
OR WHEN YOUR ACTIONS MAY NOT MIRROR THEIR DESIRES, SO LET ME TAKE THIS
OPPORTUNITY TO THANK YOU FOR ALL THE GOOD THINGS YOU DO ALL THE TIME FOR US. WE
APPRECIATE IT.

BEST REGARDS,

FRANK KALIL
PRESIDENT

FK:MAP

bcc: Ken Lee, Radio Business Report

THIS LETTER WAS SENT TO THE CHAIRMAN AND EACH COMMISSIONER.

CERTIFICATE OF SERVICE

I, Toni R. Daluge, a secretary in the law office of Kaye, Scholer, Fierman, Hays & Handler, LLP, do hereby certify that on this 16th day of July, 1998, a copy of the foregoing "Joint Comments" was sent via regular United States mail, postage prepaid, to the following:

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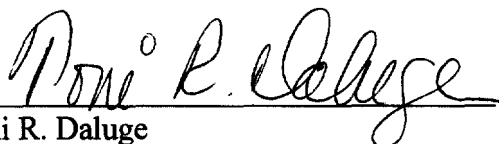
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